

and Stockyards Programs), U.S. Department of Agriculture, Washington, DC 20250.

PART 205—CLEAR TITLE—PROTECTION FOR PURCHASERS OF FARM PRODUCTS

DEFINITIONS

Sec.

205.1 Definitions.

REGULATIONS

- 205.101 Certification—request and processing.
- 205.102 Name of person subjecting a farm product to a security interest, on EFS and master list—format.
- 205.103 EFS—minimum information.
- 205.104 Registration of buyer, commission merchant, or selling agent—minimum information.
- 205.105 Master list and portion thereof distributed to registrants—format.
- 205.106 Farm products.
- 205.107 Crop year.

INTERPRETIVE OPINIONS

- 205.201 System operator.
- 205.202 “Effective financing statement” or EFS.
- 205.203 Place of filing EFS.
- 205.204 Filing “notice” of EFS.
- 205.205 Fees.
- 205.206 Farm products.
- 205.207 “Amount” and “reasonable description of the property.”
- 205.208 Distribution of portions of master list—registration—information to non-registrants on request.
- 205.209 Amendment or continuation of EFS.
- 205.210 Effect of EFS outside State in which filed.
- 205.211 Applicability of court decisions under the UCC.
- 205.212 “Buyer in ordinary course of business” and “security interest.”
- 205.213 Obligations subject—“person indebted”—“debtor.”
- 205.214 Litigation as to whether a system is operating in compliance with the Section.

AUTHORITY: 7 U.S.C. 1631 and 7 CFR 2.22, 2.81.

SOURCE: 51 FR 29451, Aug. 18, 1986, unless otherwise noted.

DEFINITIONS

§ 205.1 Definitions.

Terms defined in section 1324 of the Food Security Act of 1985, Pub. L. 99–198, 99 Stat. 1535, 7 U.S.C. 1631, shall

mean the same in this part as therein. In addition, except as otherwise specified, as used in this part:

(a) *The Secretary* means the Secretary of Agriculture of the United States;

(b) *The Section* means section 1324 of the above-cited Act, and “subsection” means a subsection of that Section;

(c) *System* means *central filing system* as defined in subsection (c)(2);

(d) *EFS* means *effective financing statement* as defined in subsection (c)(4);

(e) *System operator* means Secretary of State or other person designated by a State to operate a system;

(f) *Registrant* means any buyer of farm products, commission merchant, or selling agent, as referred to in the Section, registered with a system under subsection (c)(2)(D);

(g) *Master list* means the accumulation of data in paper, electronic, or other form, described in subsection (c)(2)(C);

(h) *Portion* means portion of the master list distributed to registrants under subsection (c)(2)(E);

(i) *UCC* or *Uniform Commercial Code* means the Uniform Commercial Code prepared under the joint sponsorship of the American Law Institute and the National Conference of Commissioners on Uniform State Laws, and in effect in most States of the United States at the time of enactment of Pub. L. 99–198.

REGULATIONS

§ 205.101 Certification—request and processing.

(a) To obtain certification of a system, a written request for certification must be filed together with such documents as show that the system complies with the Section. If such material is voluminous, a summary, table of contents, and index must accompany it as necessary to facilitate review.

(b) The request must:

(1) Include an introductory explanation of how the system will operate;

(2) Identify the information which will be required to be supplied on an EFS;

(3) Identify where an EFS, amendment thereto, or continuation thereof, will be filed and, if elsewhere than with the system operator, explain how and in what form the system operator will

receive information needed to compile and update the master list;

(4) Explain the method for recording the date and hour of filing of an EFS, amendment thereto, or continuation thereof;

(5) Explain how the master list will be compiled, including the method and form of storage and arrangement of information, explain the method and form of retrieval of information from the master list, the method and form of distribution of portions of the master list to registrants as required by subsection (c)(2)(E), and the method and form of furnishing of information orally with written confirmation as required by subsection (c)(2)(F) (details of computer hardware and software need not be furnished but the results it will produce must be explained);

(6) Explain how the list of registrants will be compiled, including identification of where and how they will register, what information they must supply in connection with registration, and the method and form of storage and retrieval of such information (details of computer hardware and software need not be furnished but the results it will produce must be explained);

(7) Show how frequently portions of the master list will be distributed regularly to registrants;

(8) Show the farm products according to which the master list will be organized;

(9) Show how the system will interpret the term "crop year" and how it will classify as to crop year an EFS not showing crop year;

(10) Show what fee will be charged and explain how the costs of the system will be covered if not by such fee and the general revenue of the State; and

(11) Include copies of:

(i) All State legislation or other legal authority under which the system is created and operated, and the system operator is designated;

(ii) All regulations, rules and requirements issued under such legislation or other legal authority and governing operation of the system, designation of the system operator, and use of the system by members of the public; and

(iii) All printed and electronic forms required to be used in connection with the system.

(c) Any such request and attachments must be filed in triplicate (one copy for public inspection, a second copy for use in GIPSA, and a third copy for use in the Office of the General Counsel, USDA). All three copies must be received in the headquarters of the Grain Inspection, Packers and Stockyards Administration (Packers and Stockyards Programs), USDA, Washington, DC 20250.

(d) A refusal to certify such a system, if any, will be explained in writing. Reconsideration of such a refusal must be requested in writing with specification of errors believed to have been made.

(e) To make changes to an existing certified central filing system, including changes necessitated or made possible by amendments to the Act, a written request to amend the existing certified central filing system must be filed together with such documents as are necessary to show that the system complies with the Act. The request must contain relevant new information consistent with the requirements specified elsewhere in this section.

[51 FR 29451, Aug. 18, 1986, as amended at 61 FR 54728, Oct. 22, 1996]

§ 205.102 Name of person subjecting a farm product to a security interest, on EFS and master list—format.

On an EFS, and on a master list, the name of the person subjecting a farm product to a security interest must appear as follows:

(a) In the case of a natural person, the surname (last name or family name) must appear first;

(b) In the case of a corporation or other entity not a natural person, the name must appear beginning with the first word or character not an article or punctuation mark.

§ 205.103 EFS—minimum information.

(a) The minimum information necessary on an EFS is as follows:

(1) Crop year *unless* every crop of the farm product in question, for the duration of the EFS, is to be subject to the particular security interest;

(2) Farm product name (see §§ 205.106, 205.206);